

HOUSE BILL REPORT

HB 1049

As Passed House:

January 26, 2005

Title: An act relating to authorization for projects recommended by the public works board.

Brief Description: Authorizing projects recommended by the public works board.

Sponsors: By Representatives Green, DeBolt, Upthegrove, Kilmer, Kessler, McCoy, Sells, Blake, Schual-Berke, Kenney, P. Sullivan, Jarrett, Kagi, Simpson, Wood, Lantz, Hudgins, Morrell, Hunt and Ormsby; by request of Public Works Board.

Brief History:

Committee Activity:

Capital Budget: 1/17/05, 1/19/05 [DP].

Floor Activity:

Passed House: 1/26/05, 96-0.

Brief Summary of Bill

- Approves the 2005 list of local government infrastructure projects funded under the Public Works Trust Fund program. The list includes 64 projects totaling \$155 million.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 27 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Blake, Chase, Eickmeyer, Ericks, Ericksen, Flannigan, Green, Hankins, Hasegawa, Holmquist, Kretz, Kristiansen, Lantz, McCune, Moeller, Morrell, Murray, Newhouse, O'Brien, Roach, Serben, Springer, Strow and Upthegrove.

Staff: Susan Howson (786-7142).

Background:

The Public Works Assistance Account, commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. The Public Works Board (Board), within the Department of Community, Trade and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges,

roads, water and sewage systems; and solid waste and recycling facilities. All local governments except port districts and school districts are eligible to receive loans.

The Public Works Assistance Account receives dedicated revenue from: utility and sales taxes on water, sewer service, and garbage collection; a portion of the real estate excise tax; and loan repayments. Appropriations from the account are made in the Capital Budget, but the project list is submitted annually in separate legislation.

Each year the Board is required to submit a list of public works projects to the Legislature for approval. The Legislature may remove projects from the list, but it may not add any projects or change the order of project priorities. Legislative approval is not required for pre-construction activities, planning loans, or emergency loans.

The CTED received an appropriation of approximately \$261 million from the Public Works Assistance Account in the 2003-05 Capital Budget for the 2004 and 2005 loan cycles. In 2004 the Legislature approved that \$236 million of this appropriation be dedicated to financing the 2004 construction loan list. The Board planned to use the balance of the appropriation, approximately \$25 million, to finance pre-construction, planning, and emergency loan requests.

The Board is recommending that the Legislature appropriate an additional \$155 million from the Public Works Assistance Account to finance projects listed on the 2005 construction loan list. Governor Locke's 2005 Supplemental Capital Budget includes funding at the Board's requested level.

Summary of Bill:

As recommended by the Board, 64 public works project loans totaling \$155 million are authorized for the 2005 loan cycle. The 64 authorized projects fall into the following categories:

- (1) 28 domestic water projects totaling \$43.8 million;
- (2) 27 sanitary sewer projects totaling \$85.5 million;
- (3) five storm sewer projects totaling \$9.3 million;
- (4) three road projects totaling \$13.8 million; and
- (5) one solid waste project totaling \$2.6 million.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The Public Works Trust Fund program provides local governments with needed resources to address the replacement and repair of critical infrastructure. Local governments in this state have a gap in excess of \$3 billion between available resources and

their infrastructure needs. The program supports local communities and creates jobs. The Legislature is encouraged to protect the integrity of the fund by not allowing transfers out of the account for other uses. Other states consider the Public Works Trust Fund a model program for addressing critical infrastructure needs.

Testimony Against: None.

Persons Testifying: John LaRocque, Public Works Board; Lynne Danielson, Public Works Board; Rick Slunaker, Associated General Contractors; Joe Daniels, Washington Association of Sewer/Water Districts; and Ashley Probart, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.